

Service Date: January 19, 1995

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER of the Application for )	UTILITY DIVISION
Authority of ROCHESTER TELEPHONE )	
CORPORATION to Acquire Control of )	DOCKET NO. 94.12.61
WCT Communications and West Coast )	
Telecommunications, Inc. )	DEFAULT ORDER NO. 5828

On December 15, 1994, Rochester Telephone Corporation ("RTC") Inc. filed an application with the Montana Public Service Commission ("commission") seeking approval to acquire control of WCT Communications ("WCT") and West Coast Telecommunications, Inc. ("West Coast").

RTC, a publicly held New York Corporation, is the parent company of a number of local telephone company subsidiaries in thirteen states and long distance companies certificated in many states. RTC is to be renamed Frontier Corporation effective January 1, 1995.

West Coast is a wholly owned subsidiary of WCT, a publicly held Washington corporation. West Coast is a carrier providing resale interexchange telecommunications services within Montana. West Coast is currently authorized by the FCC to provide domestic interstate and international services as a non-dominant carrier in all 50 states and the District of Columbia. Pursuant to this proposed transaction, RTC will acquire all outstanding shares of common stock of WCT. In exchange, WCT's shareholders will receive \$6.50 per share in cash.

Upon completion of the transaction, RTC will be the corporate parent of West Coast. According to the applicant, the transaction will be virtually transparent to West Coast's customers in terms of the service they receive. West Coast will continue to provide services pursuant to its tariff currently on file at the Commission, with no inconvenience or confusion to customers.

The Applicant believes that the transaction is in the public interest because, after completing the transaction, West Coast will

continue to be led by a team of well-qualified managers comprised in part of existing West Coast personnel. In addition, West Coast will draw upon the technical and managerial expertise of its new parent, RTC. The Parties expect that the managerial, technical and financial skill of this management team will enable West Coast to not only continue providing quality service to its existing customers but to expand its customer base as well.

#### Analysis

The Commission finds, based on the application, that the proposed acquisition is in the public interest, and therefore, should be approved. West Coast will have access to additional operating and administrative expertise that will enable West Coast to continue providing quality service to its customers.

#### CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the sale or acquisition of public utilities that provide intrastate "regulated telecommunications services" as defined in ' 69-3-803(3), MCA.

2. The Commission has jurisdiction over all utility activities which affect a utility's duty to render "reasonably adequate service and facilities" at "reasonable" and "just" rates. § 69-3-201, MCA.

#### ORDER

IT IS THEREFORE ORDERED by the Commission that:

1. Effective immediately, the proposed acquisition of control of WCT by Rochester Telephone Corporation is approved.

2. Approval of the proposed transfer does not constitute determination or approval of any ratemaking issues.

DONE IN OPEN SESSION at Helena, Montana, this 17th day of January, 1995, by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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NANCY McCAFFREE, Chair

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DAVE FISHER, Vice Chair

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BOB ANDERSON, Commissioner

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DANNY OBERG, Commissioner

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BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson  
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.